



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

November 2, 2007

The Honorable Robert Blendu, Chair
Joint Legislative Audit Committee

The Honorable John Nelson, Vice Chair
Joint Legislative Audit Committee

Dear Senator Blendu and Representative Nelson:

Our Office has recently completed an 18-month followup of the Bisbee Unified School District's implementation status for the 13 audit recommendations presented in the performance audit report released in April 2006. As the attached grid indicates:

- 11 recommendations have been implemented, and
- 2 recommendations are in the process of being implemented.

Our Office will continue to follow up at 6-month intervals with the District on the status of those recommendations that have not yet been fully implemented.

Sincerely,

Debbie Davenport
Auditor General

Enclosure

cc: Mr. Paul McDonald, Superintendent
Governing Board
Bisbee Unified School District

**Bisbee Unified School District
18-Month Follow-Up Report To
Performance Audit Report Issued April 2006**

CHAPTER 1: Administration

Recommendations	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should review its school-level administrative costs to determine if they can be reduced.	Implemented at 12 months	
2. The District should implement proper access controls over its accounting system so that individual employees do not have the ability to initiate and complete a transaction without an independent review and approval.	Implemented at 12 months	
3. The District should improve its purchasing and accounts payable procedures to ensure that purchases are reviewed and approved by an authorized supervisor prior to being made. In addition, the independent review and approval should be performed by an employee who does not also maintain the accounting records.	Implemented at 12 months	

Bisbee Unified School District

18-Month Follow-Up Report To

Performance Audit Report Issued April 2006

CHAPTER 2: Food Service

Recommendations	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. To help identify potential cost reductions and keep the program self-supporting, the District should develop and monitor performance measures, such as cost per meal and meals per labor hour, and compare them with similar districts'.	Implementation in process	The District has established performance measures, but has not used the measures to monitor its food service program.
2. The District should more accurately determine the number of a la carte items sold, such as counting items on the racks before and after each lunch period, to ensure that cash sales have been accounted for properly.	Implemented at 6 months	

CHAPTER 3: Student Transportation

Recommendations	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should maintain documentation of all bus routes and review them periodically to evaluate whether they are as efficient as possible, taking into account the amount of time students spend on the bus and the percentage of bus capacity used.	Implemented at 6 months	

Bisbee Unified School District

18-Month Follow-Up Report To

Performance Audit Report Issued April 2006

CHAPTER 3: Student Transportation (concl'd)

Recommendations	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
2. The District should keep complete bus maintenance and inspection files. This information will aid in making decisions on when to maintain, repair, or replace buses and to ensure that the program is meeting the <i>Minimum Standards</i> .	Implementation in process	The District is in the process of developing a system to maintain records for all buses and ensure that <i>Minimum Standards</i> are met.
3. To aid in evaluating the costs and efficiency of its transportation program, the District should develop and monitor performance measures, including cost per mile, cost per rider, driver productivity, bus capacity utilization, and ride times.	Implemented at 6 months	

CHAPTER 4: Plant Operation and Maintenance

Recommendations	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should review ways to reduce excess building space and determine methods to offset the costs of maintaining any remaining excess space, such as renting out unused facilities.	Implemented at 12 months	
2. The District should review ways to reduce its high water and sewage costs to bring costs more in line with comparable districts'.	Implemented at 6 months	

Bisbee Unified School District

18-Month Follow-Up Report To

Performance Audit Report Issued April 2006

CHAPTER 4: Plant Operation and Maintenance (concl'd)

Recommendations	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
3. The District should dispose of damaged, outdated, and unnecessary inventory items and records. Further, it should stop storing nondistrict property on its campuses or charge a fee for this use of school facilities.	Implemented at 6 months	

CHAPTER 5: Proposition 301 monies—No Recommendations

CHAPTER 6: Classroom Dollars

Recommendations	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.	Implemented at 6 months	
2. The District should closely analyze its spending in noninstructional areas to determine if savings can be achieved and whether some of those monies can be redirected to the classroom.	Implemented at 6 months	